

SUBSTITUTE FOR
HOUSE BILL NO. 4667

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 303 (MCL 436.1303).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 303. (1) The grape and wine industry council ~~is~~ created
2 ~~in~~ **UNDER EXECUTIVE REORGANIZATION ORDER NO. 2014-2, MCL 333.26253,**
3 **IS WITHIN** the department of agriculture **AND RURAL DEVELOPMENT.** ~~The~~
4 **BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED**
5 **SUBSECTION (10), THE** council **SHALL BE KNOWN AS THE MICHIGAN CRAFT**
6 **BEVERAGE COUNCIL AND** shall consist of ~~all of the following~~ **MEMBERS:**
7 ~~—— (a) Three wine makers.~~
8 ~~—— (b) A wine grape grower.~~
9 ~~—— (c) The director of consumer and industry services or his or~~
10 ~~her designee.~~

1 **(A) ~~(d)~~** The director of the department of agriculture **AND**
 2 **RURAL DEVELOPMENT** or his or her designee **AS A NONVOTING MEMBER.**

3 ~~—— (e) A staff member of Michigan state university appointed by,~~
 4 ~~and serving at the pleasure of, the dean of the college of~~
 5 ~~agriculture and natural resources of Michigan state university.~~

6 ~~—— (f) The chairperson of the commission or his or her designee,~~
 7 ~~as an ex officio member.~~

8 **(B) THE FOLLOWING VOTING MEMBERS APPOINTED BY THE GOVERNOR:**

9 **(i) ~~(g)~~** A person **AN INDIVIDUAL** who operates a retail food
 10 establishment that holds a specially designated merchant license
 11 and sells Michigan wines or ~~a person~~ **BEER, OR HIS OR HER DESIGNEE**
 12 **THAT IS LOCATED IN THIS STATE.**

13 **(ii) AN INDIVIDUAL** who operates a restaurant that holds a
 14 class C license and serves Michigan wines **OR BEER, OR HIS OR HER**
 15 **DESIGNEE THAT IS LOCATED IN THIS STATE.**

16 ~~—— (h) A beer and wine wholesaler who markets Michigan wine.~~

17 ~~—— (i) Not more than 2 additional members appointed as prescribed~~
 18 ~~in subsection (3).~~

19 **(iii) TWO WINE MAKERS, OR A DESIGNEE OF THOSE WINE MAKERS THAT**
 20 **IS LOCATED IN THIS STATE.**

21 **(iv) A WINE MAKER THAT MANUFACTURES WINE MADE FROM FRUIT OTHER**
 22 **THAN GRAPES, OR A DESIGNEE OF THAT WINE MAKER THAT IS LOCATED IN**
 23 **THIS STATE.**

24 **(v) A LARGE BREWER, OR A DESIGNEE OF THAT LARGE BREWER THAT IS**
 25 **LOCATED IN THIS STATE.**

26 **(vi) ONE OF THE FOLLOWING:**

27 **(A) A MICRO BREWER, OR A DESIGNEE OF THAT MICRO BREWER THAT IS**

1 LOCATED IN THIS STATE.

2 (B) AN INDIVIDUAL WHO HOLDS A BREWPUB LICENSE, OR A DESIGNEE
3 OF THAT INDIVIDUAL THAT IS LOCATED IN THIS STATE.

4 (vii) A SMALL DISTILLER, OR A DESIGNEE OF THAT SMALL DISTILLER
5 THAT IS LOCATED IN THIS STATE.

6 (viii) A DISTILLER THAT MANUFACTURES MORE THAN 60,000 GALLONS
7 OF SPIRITS PER YEAR, OR A DESIGNEE OF THAT DISTILLER THAT IS
8 LOCATED IN THIS STATE.

9 ~~(2) The members of the council described in subsection (1)(a),~~
10 ~~(b), (g), and (h) shall be appointed by the governor. The council~~
11 ~~members appointed under subsection (1)(g) and (h) shall be~~
12 ~~appointed for 2-year terms beginning on October 1, 1991. Of the~~
13 ~~council members appointed for terms beginning October 1, 1991, 1~~
14 ~~shall be appointed for a 1-year term, and 3 shall be appointed for~~
15 ~~terms of 2 years each. All appointments for terms beginning on or~~
16 ~~after October 1, 1992 shall be for 2 years each. A member shall~~
17 ~~continue to serve until a qualified successor has been appointed.~~

18 **VOTING MEMBERS OF THE COUNCIL APPOINTED BY THE GOVERNOR UNDER**
19 **SUBSECTION (1) SHALL SERVE FOR TERMS OF 3 YEARS OR UNTIL A**
20 **SUCCESSOR IS APPOINTED, WHICHEVER IS LATER, EXCEPT THAT OF THE**
21 **VOTING MEMBERS FIRST APPOINTED, 3 SHALL SERVE FOR 1 YEAR, 3 SHALL**
22 **SERVE FOR 2 YEARS, AND 3 SHALL SERVE FOR 3 YEARS. A VOTING member**
23 **shall not serve more than 2 consecutive terms. A vacancy on the**
24 **board shall ~~MUST~~ be filled in the same manner as the original**
25 **appointment. The director of the department of agriculture shall**
26 **act as ~~AND RURAL DEVELOPMENT IS THE~~ chairperson of the council.**

27 ~~—— (3) The governor may appoint not more than 2 additional~~

~~members to the council who shall assist the council in performing its duties, but who shall not have the power to vote. The persons appointed under this subsection shall not be members of the classified state civil service, shall serve at the pleasure of the governor, and shall receive salaries and benefits determined and paid by the department of agriculture.~~

(3) ~~(4)~~ The council may employ personnel and incur ~~such~~ expenses ~~as~~ **THAT** are necessary to carry out the purposes of the council under this act. All ~~such~~ **THE** expenses shall ~~shall~~ **MUST** be paid from fees credited to the ~~wine industry~~ council under section 543(2) **AND CREDITED TO THE COUNCIL UNDER SECTION 221. THE COUNCIL SHALL EXPEND AT LEAST 50% OF ITS ANNUAL BUDGET ON ANY OF ITS DUTIES DESCRIBED IN SUBSECTION (6) (A), (B), (G), (H), OR (I).** A member of the council or an employee or agent of the council ~~shall~~ **IS** not be personally liable on the contracts of the council.

(4) ~~(5)~~ A nongovernmental member of the council ~~shall~~ **MAY** receive \$50.00 per day for each day spent in actual attendance at meetings of the council and traveling expenses while on council business in accordance with standard travel regulations of the department of **TECHNOLOGY**, management, and budget.

(5) ~~(6)~~ The council shall maintain accurate books and records, and all ~~funds~~ **MONEY** received by the council ~~shall~~ **MUST** be used to implement and enforce this section.

(6) ~~(7)~~ The council shall do all of the following:

(a) Provide for research on ~~wine grapes~~ **FRUITS USED IN WINEMAKING** and wines, including, but not limited to, methods of planting, growing, controlling insects and diseases, charting

1 microclimates and locations for growing desirable varieties of wine
2 ~~grapes~~, **FRUITS USED IN WINEMAKING**, marketing, processing,
3 distribution, advertising, sales production, and product
4 development.

5 (B) PROVIDE FOR RESEARCH ON HOPS, BARLEY, BEER, AND SPIRITS,
6 INCLUDING, BUT NOT LIMITED TO, METHODS OF PLANTING, GROWING,
7 CONTROLLING INSECTS AND DISEASES, MARKETING, PROCESSING,
8 DISTRIBUTION, ADVERTISING, SALES PRODUCTION, AND PRODUCT
9 DEVELOPMENT.

10 (C) ~~(b)~~ Provide the wine industry, including growers,
11 wineries, distributors, and retailers, with information relative to
12 proper methods of handling and selling ~~wine grapes~~ **FRUITS USED IN**
13 **WINEMAKING** and wines.

14 (D) PROVIDE THE BREWING AND DISTILLING INDUSTRIES, INCLUDING
15 GROWERS, BREWERS, DISTILLERS, DISTRIBUTORS, AND RETAILERS, WITH
16 INFORMATION RELATIVE TO PROPER METHODS OF HANDLING AND SELLING
17 HOPS, BARLEY, BEER, AND SPIRITS.

18 (E) ~~(c)~~ Provide for market surveys and analyses for purposes
19 of expanding existing markets and creating new and larger markets
20 for ~~wine grapes and~~ **FRUITS USED IN WINEMAKING**, wines, HOPS, BARLEY,
21 BEER, AND SPIRITS.

22 (F) ~~(d)~~ Provide for the promotion of the sale of Michigan ~~wine~~
23 ~~grapes and~~ **FRUITS USED IN WINEMAKING**, wines, HOPS, BARLEY, BEER,
24 **AND SPIRITS** for the purpose of maintaining or expanding present
25 markets and creating new and larger domestic and foreign markets.

26 (G) ~~(e)~~ Develop and administer financial aid programs to ~~wine~~
27 ~~grape-growers~~ **OF FRUITS USED IN WINEMAKING** to encourage the

1 increased planting in this state of desirable ~~grape~~**FRUIT** varieties
 2 in microclimates determined to provide the best conditions for
 3 producing quality wines.

4 (H) DEVELOP AND ADMINISTER FINANCIAL AID PROGRAMS TO HOPS
 5 GROWERS TO ENCOURAGE INCREASED PLANTING IN THIS STATE OF DESIRABLE
 6 HOPS VARIETIES IN MICROCLIMATES DETERMINED TO PROVIDE THE BEST
 7 CONDITIONS FOR PRODUCING QUALITY BEER.

8 (I) DEVELOP AND ADMINISTER FINANCIAL AID PROGRAMS TO BARLEY
 9 GROWERS TO ENCOURAGE INCREASED PLANTING IN THIS STATE OF DESIRABLE
 10 BARLEY VARIETIES IN MICROCLIMATES DETERMINED TO PROVIDE THE BEST
 11 CONDITIONS FOR PRODUCING QUALITY BEER.

12 (J) PREPARE AND APPROVE AN ANNUAL BUDGET.

13 (K) APPLY FOR, RECEIVE, AND ACCEPT A GRANT, IF AVAILABLE, FROM
 14 THE OFFICE THAT PROMOTES THE PURE MICHIGAN TOURISM CAMPAIGN OR ANY
 15 SUCCESSOR CAMPAIGN.

16 (l) ESTABLISH EDUCATIONAL PARTNERSHIPS TO BENEFIT THE BEER,
 17 WINE, AND SPIRITS INDUSTRIES.

18 (7) ~~(8)~~—The council may promulgate rules pursuant to the
 19 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 20 24.328, for the purposes of implementing and enforcing this
 21 section. However, ~~a rule~~**THE COUNCIL** shall not ~~be promulgated~~
 22 **PROMULGATE A RULE** that conflicts with a rule promulgated by the
 23 commission ~~pursuant to~~**UNDER** section 215.

24 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE
 25 COUNCIL SHALL NOT ENGAGE IN LOBBYING. THIS SUBSECTION DOES NOT
 26 PROHIBIT THE COUNCIL OR A COUNCIL MEMBER OR COUNCIL EMPLOYEE FROM
 27 PROVIDING TECHNICAL INFORMATION TO THE LEGISLATURE OR TO THE

1 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT, REGARDLESS OF
 2 WHETHER THE COUNCIL, COUNCIL MEMBER, OR COUNCIL EMPLOYEE IS
 3 APPEARING BEFORE AN OFFICIALLY CONVENED LEGISLATIVE COMMITTEE OR
 4 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT HEARING PANEL, IF
 5 THE TECHNICAL INFORMATION IS RELATED TO THE COUNCIL'S DUTIES UNDER
 6 THIS SECTION. AS USED IN THIS SUBSECTION:

7 (A) "LOBBYING" MEANS THAT TERM AS DEFINED IN SECTION 5 OF 1978
 8 PA 472, MCL 4.415.

9 (B) "TECHNICAL INFORMATION" MEANS THAT TERM AS DEFINED IN
 10 SECTION 5 OF 1978 PA 472, MCL 4.415.

11 (9) THIS SECTION DOES NOT PREVENT THE COUNCIL FROM
 12 ESTABLISHING A COMMODITY COMMITTEE UNDER THE AGRICULTURE
 13 COMMODITIES MARKETING ACT, 1965 PA 232, MCL 290.651 TO 290.674.

14 (10) ~~(9)~~ As used in this section: ~~"council"~~

15 (A) "COUNCIL" means the ~~grape and wine industry~~ MICHIGAN CRAFT
 16 BEVERAGE council ~~created~~ DESCRIBED in subsection (1).

17 (B) "LARGE BREWER" MEANS A BREWER THAT PRODUCES IN TOTAL AT
 18 LEAST 60,000 BARRELS OF BEER AND NOT MORE THAN 1,000,000 BARRELS OF
 19 BEER PER YEAR. IN DETERMINING THE BARREL THRESHOLD UNDER THIS
 20 SUBDIVISION, ALL BRANDS AND LABELS OF A BREWER, WHETHER BREWED IN
 21 THIS STATE OR OUTSIDE THIS STATE, MUST BE COMBINED AND ALL
 22 FACILITIES FOR THE PRODUCTION OF BEER THAT ARE OWNED OR CONTROLLED
 23 BY THE SAME PERSON ARE TREATED AS A SINGLE FACILITY.

24 Enacting section 1. This amendatory act takes effect 90 days
 25 after the date it is enacted into law.

26 Enacting section 2. This amendatory act does not take effect
 27 unless House Bill No. 4668 of the 99th Legislature is enacted into

1 law.